



## TBLA records historic mortgage growth

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**The Trinidad Building and Loan Association (TBLA) achieved its single largest mortgage portfolio growth in the association's history last year with an increase from \$29 million to \$35 million for 2012.**

Terrence Boswell Inniss, president of the TBLA, told the association's 122nd annual general meeting at the Capital Plaza, Port-of-Spain, the increase in mortgage portfolio growth was in terms of value and not numbers. He said this was still a great achievement for the TBLA given the country's challenging financial environment.

Inniss said in 2012, limited investment opportunities and sluggish credit growth led to a build-up of liquidity, which kept short-term interest rates at record low levels. He said local banks had taken steps to lower interest

expenses and expand into non-traditional markets and this resulted in more competition for non-banking financial institutions.

Asked how the TBLA was impacted by this, Inniss said: "There is competition for mortgages because the banks have gobbled up everything. They certainly have a much larger portfolio than we have, a larger advertising budget where they are able to use radio, television and print.

"In addition to that, they are competing among themselves so the rates continue to drop. There is a lot of poaching."

Inniss said the TBLA has lost customers, but not that many: "Certainly we have had to re-adjust mortgage rates, by dropping it to about six-and-a-half per cent."

He explained that due to the lower interest rates, many people have opted to invest in real estate as a viable alternative to other

investments due to the slow economy.

"So this slight upsurge in the real estate market has helped us with our growth," he said.

"TBLA did a lot of smaller figure mortgages like \$3,000-\$4,000 in the earlier years, but since the value of property increased, the rates are higher. For example, land in Barataria could value around \$500,000.

Inniss said TBLA took about 90 per cent of the value for the mortgage.

"But with regards to the actual growth of the real estate industry, it has been on the same level about four years now, with a slight increase."

TBLA collected 100 per cent of the Clico executive flexible premium annuity last year, with 50 per cent in January 2012 and the balance in January 2013. Profits before dividends increased by 26 per cent to \$1.1 mil-

lion, up from \$0.8 million in 2011.

Also last year, the board of directors restructured the subscription share portfolio and recommenced the sale of the new shares, which were suspended in 2010 and 2011.

There was a good response to the issue of new shares, with shareholders' value increasing by 22 per cent of \$1.1 million.

Inniss said to remain competitive, the TBLA embarked in a building stakeholder relationship initiative and launched its Down Payment Savings Plan, an investment certificate that allows young adults to save toward meeting their down payment for home ownership.

It also implemented its whistle-blowing policy and undertook an anti-money laundering and countering financial terrorism course as required by the Financial Intelligence Unit.